Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Year 2000 Biennial Regulatory Review –	)	
Amendment of Part 22 of the Commission's	)	WT Docket No. 01-108
Rules to Modify or Eliminate Outdated Rules	)	
Affecting the Cellular Radiotelephone Service	)	
and other Commercial Mobile Radio Services	)	
	)	

Reply Comments of CaseNewHolland Inc.

Summary of Reply Comments

CaseNewHolland Inc. (CNH), one of the largest heavy equipment manufacturers in the United States, has reviewed the submitted comments on proposed rule changes and is responding herein due to its continued significant concern over the potential negative impact on our industry of the proposed deletion of the Advance Mobile Phone Service (AMPS) analog cellular compatibility requirement. We were pleased to see the majority of the comment responses expressing concern over immediate deletion of this requirement as proposed in the NPRM and their recommendations for leaving the requirement in place either indefinitely or through some planned significant length transition period. However, we are concerned about some of the major carriers positions and their representations that competition in the urban/suburban environment obviates the need for AMPS compatibility requirements. We believe that the requirements need to remain and an industry strategy and detailed transition plan need to be developed; but due to the present lack of any digital technology standardization, the vehicle systems development cycle time and vehicle longevity, we still believe that the analog compatibility requirements should remain for at least 10 years after a new digital standard is operationally in place with geographic coverage equivalent to that of AMPS today.

Background and Discussion

CNH is the number one manufacturer of agricultural tractors and combines in the world, the third largest maker of construction equipment, and has one of the industry's largest equipment

finance operations. Revenues in 2000 were over $10 billion. Based in the United States, CNH's network of dealers and distributors operates in over 160 countries. CNH agricultural products are sold principally under the Case IH, New Holland and Steyr brands. CNH construction equipment is sold principally under the Case, Fiatallis, Fiat-Hitachi, New Holland, and O&K brands.

For the last several years CNH has been developing a heavy equipment Fleet Management System (FMS) to support the asset management/productivity improvement needs of our dealers and customers. This FMS is comprised of Asset Monitoring Units (AMUs) installed in equipment, that gather position information from Global Positioning System (GPS) satellites and other data from the equipment itself; a wireless communications link that handles the communication of data between the AMUs and a common Data Center; and the Data Center which stores, processes and shares the data with dealers and customers over the internet and World Wide Web.

Since the beginning of our development efforts, one of the primary system requirements has consistently been the need for wireless communications coverage where the majority of our customers use their equipment. Early in our studies, we determined that the AMPS footprint had a very good overlay with our market's coverage needs and that it was the only terrestrial based wireless communication system that came close to meeting our system geographic coverage requirements. CNH has recently launched an FMS service in the US, that is solely dependent on AMPS for its AMU to Data Center wireless communications link.

Reply to Comments on Proposed Rule Changes

A. Retaining the AMPS Compatibility Requirement *Is Necessary to Protect the Public Interest.*

In the NPRM the FCC asked for comments on, "whether eliminating this rule would have any impact on the continued provision of service to existing analog cellular customers" and "on the likely treatment by the competitive market of these consumers when they roam." The majority of the ten (10) carriers responding with comments did not support immediate elimination of the rule because of varying concerns; but two of the largest strongly supported its elimination. One specifically cited statistics and said, "that nearly 91 percent of the U.S. population has access to at least three CMRS

providers, and 75 percent live in areas with five or more competing carriers. Accordingly, the analog service requirement is no longer necessary because meaningful competition in the marketplace has satisfied the rule's purpose."

CNH suggests, however, a closer look at the demographics and geography related to these statistics and cellular coverage in the 48 contiguous states. According to population estimates for 1999 based on US Census data, 91 percent of the population lives in the highest population density counties (or county equivalents) but which accounted for only 33 percent of the total geographic area. In fact, 75 percent of the population lives in county areas accounting for only 13 percent of the total geographic area of the 48 contiguous states. Although the large carriers are focused on competing in these concentrated population centers, that does not mean that their business focus will protect rural citizens living in the remaining two thirds of the country? CNH suggests that these carriers' focus on the concentrated population centers does not satisfy the rule's purpose.

The large cellular carriers have made no secret of their desire to cut back on analog services (at the expense of rural consumers), so the bandwidth can be used for more lucrative digital services in their urban/suburban, high population markets. As the Rural Cellular Association pointed out in their Comments on the NPRM, these carriers "have already begun to reduce the number of analog channels such that they provide only the minimum analog service necessary to comply with the Commission's Rules." This has already had a negative impact on meaningful availability of cellular service. Moreover, these concerns are not merely hypothetical, as The Rural Cellular Association (RCA) also noted in its Comments: "For many RCA members, a large and constant percentage of customer complaints is based upon analog subscribers' inability to get an open channel when they were roaming."

Thus, CNH agrees with the Rural Cellular Association's summary that "[t]he Analog Standard Continues To Be the Backbone of Ubiquitous Nationwide Roaming" and "Elimination of the Rule Requiring Cellular Carriers to Provide Analog Service Would Destroy 'Seamless' Roaming."

Although representative large carriers represent that the requirement is no longer needed because market forces will continue to make analog service available; market evidence to date indicates otherwise.

B. Retaining the AMPS Compatibility Requirement Is *Necessary to Protect the Vehicle Based Telematics Services.*

In the NPRM the FCC also asked for Comments on, "how our proposed changes will affect OnStar and other existing analog services, and the people who use such services" and "whether the proliferation of competitive mobile telephone services suggests that market forces may now provide a sufficient incentive for cellular providers to utilize compatible and/or interoperable technologies to meet consumer demand for nationwide operating capability."

Two key issues, that must be considered in responding to these questions, are the capabilities of the "competitive mobile telephone services" and the availability of hardened multi-mode modem technology that can perform in the automotive and off road vehicle environments. In response to the first, OnStar in its Comments indicated that none of the digital technologies yet offer the technology robustness of analog as required for their emergency services, such as Automatic Crash Notification (ACN).

On the second issue, as CNH has commented before, the hardware basis of these services is significantly different from that for hand held cell phones. In the highly competitive hand held market, with costs of hardware dropping and new services being offered; it is relatively cheap and easy for customers to switch to a new phone with different technology on a short cycle. It is not so simple for cellular systems integrated into vehicles. In its Comments, OnStar reported "the average life of a car today is 8-9 years" and for heavy equipment products such as those of CNH, it's ten years or more. For vehicles, the cellular phone modem is also not a stand alone unit like a cell phone; it is integrated with control computers, GPS systems, and other vehicles electronics; and the development, integration and test of these integrated systems takes significant time. At the present time each of the major cellular carriers are working on new multi-mode technology services for

vehicles; but with three different competing digital technologies, and with different hardware requirements, and with carriers on different migration paths to the next generation; there is no clear long term winner at this point (except in Europe where the choice is standards based). This makes it impossible, at this time, for vehicle manufacturers to select one single digital technology for integration. Further, it is not practical to integrate multiple digital technologies as this would drive up hardware costs and require the end customer to have multiple service agreements. For customers focused on obtaining data to help their businesses, this increased level of complexity would be an extra burden on the consumer and a step backwards from the current AMPS based services. To complicate things further, as Deere and Company pointed out in its Comments, there is also no digital technology hardened hardware available yet for vehicle applications. Thus, in the immediate future, equipment manufacturers such as CNH have no choice but to continue fielding AMPS only systems. An important part of any longer term vehicle use of the new digital technology systems must be multi-mode service availability, where AMPS fills out the geographic footprint where primary digital service is not offered.

If the AMPS compatibility requirement is removed from the cellular carriers before a replacement common technology standard evolves; it is clear that the service coverage for existing vehicle systems, that are not easily converted, will deteriorate as major carriers convert more bandwidth to new technologies. At a time when technology is generally offering industry new tools for increased productivity; we cannot endorse a move backward that would force our large and small business customers to make unnecessary choices between degraded performance or high trade-up costs within their Fleet Management Systems.

Conclusions

Like OnStar, ATX and other telematics providers in the US today; our customers are AMPS customers, and they will continue to be so for the foreseeable future. We agree with OnStar's concluding comment in which it stated, "The reasons provided by the Commission for adopting the Part 22 rules (Para. 7, NPRM) are still valid today." We too selected the analog system because it

was, and still is, the only common standard in the US; the only one with ubiquitous geographic coverage.

Therefore, CNH still recommends that the Commission delay elimination of the AMPS compatibility requirements for at least ten years after a new digital standard is operationally in place with geographic coverage equivalent to that of AMPS today. This is a necessary protection for users in order to provide existing and near-term vehicle systems with continued geographic coverage equivalent to that of AMPS and to motivate the cellular industry to rapidly converge on such standardization and transition plans for the benefit of all cellular users.

Respectfully submitted,

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